

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

SUBJECT: SEE BELOW

DATE: August 18, 2014

Approved



Date

8/27/14

SUBJECT: AWARD OF A DESIGN-BUILD CONTRACT FOR THE UNITED STATES PATENT AND TRADEMARK OFFICE (USPTO) PROJECT

RECOMMENDATION

- a) Report on negotiations and award of a Design/Build contract for the Project to the design-build entity that best meets the needs of the City, and approval of a City/USPTO-controlled contingency in the amount of 10 percent of the contract amount.
- b) Adopt a resolution authorizing the Director of Public Works to issue any single and/or multiple change orders up to the amount of the City/USPTO-controlled contingency.

OUTCOME

The recommendation will allow the execution of the construction contract for the USPTO tenant improvements immediately upon Council approval. The City/USPTO-controlled contingency of 10 percent will provide funding for unanticipated work that may be necessary for the proper completion of the Project.

BACKGROUND

On May 20, 2014, the City Council adopted a resolution making a finding that the use of the design-build delivery method process is likely to save money and/or result in faster project completion than if the City used the traditional design-bid-build method. At the same meeting, Council authorized staff to advertise a Request for Proposals for the USPTO Project. The following is a recap of the schedule:

August 18, 2014

Subject: Award of a Design-Build Contract for the USPTO Project

Page 2

- | | |
|--------------------------------|--|
| • May 20, 2014 | Approval of the RFP and Advertisement |
| • July 14, 2014 | Due Date for RFP |
| • July 15 to July 22, 2014 | Evaluation of Proposals and Interviews |
| • August 12, 2014 | Council Authorization to Negotiate |
| • August 13 to August 29, 2014 | Contract Negotiations |
| • September 9, 2014 | Council action on Award of Contract |
| • August 2015 | Construction Completion |

Four high-quality firms were prequalified to submit proposals for the Project. All four of these firms submitted proposals for the Project and were evaluated by the criteria approved by Council on May 20, 2014.

On August 12, 2014, Council approved the following rankings and authorized the Director of Public Works to negotiate the contract.

Proposer	Ranking
Turner Construction (with Gensler Architects)	1
Hensel Phelps Construction (with Fentress Architects)	2
Hunt Construction (with Steinberg)	3
C. Overaa Construction (with RMW Architects)	4

The City Council authorized the Director to enter into contract negotiations with Turner Construction Company. In the event that the Director of Public Works determines that the City and Turner Construction Company are not making adequate progress on the negotiations of the contract, Council authorized the Director of Public Works to commence negotiations with the next ranked proposers in the order of their ranking.

ANALYSIS

A supplemental memorandum will be issued after the completion of negotiations and will include necessary budget actions to ensure that funding is available to award the construction contract.

EVALUATION AND FOLLOW-UP

The project is currently on schedule. A Supplemental Memorandum will be issued after final negotiations with the design builder and no additional follow up action with the Council is expected at this time.

August 18, 2014

Subject: Award of a Design-Build Contract for the USPTO Project

Page 3

PUBLIC OUTREACH/INTEREST

- ☒ **Criterion 1:** Requires Council action on the use of public funds equal to \$1,000,000 or greater. **(Required: Website Posting)**
- ☐ **Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- ☐ **Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater. This memorandum will be posted on the City's website for the September 9, 2014 City Council agenda.

COORDINATION

This staff report has been coordinated with the City Attorney's Office and Planning, Building and Code Enforcement Department.

COST SUMMARY/IMPLICATIONS

A Supplemental Memorandum will be issued after final negotiations with the design builder.

BUDGET REFERENCE

A Supplemental Memorandum will be issued after final negotiations with the design builder.

CEQA

Exempt, File No. PP14-031.

/s/
DAVID SYKES
Director of Public Works

For questions please contact Barry Ng, Acting Assistant Director of Public Works, at 408-535-8300.